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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE, MARKETING AREA
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Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37404
J. E. Bobo, Market Administrator
RECEIVED

MAY 4 1973

MARKET SUMMARY - MARCH 1973

PROCUREMENT SECTION
Alphabetical Serial File

The Chattanooga Order MINIMUM uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$7.07 and Excess Milk - \$5.55. The producer butterfat differential is 7.8 cents for each one-tenth of one percent above or below 3.5% test. This is a Base and Excess price increase of 72 cents and 51 cents respectively above March 1972.

In March 1973, 70.4% of the producer milk received by pool plants was priced in Class I at \$7.58 per cwt. and 29.6% was priced in Class II at \$5.55 per cwt. The March butterfat differential for Class I was 8.1 cents and Class II was 7.4 cents.

Total producer milk received during March 1973 was 39,125,865 pounds which is an increase of 678,105 pounds or 1.8% compared with March 1972. Deliveries of producer Base milk exceeded producer milk used in Class I by 8,516,724 pounds or percentage-wise only 76.4% of Base milk was used in Class I. The March daily average deliveries from 739 producers was 1,708 pounds. This compares to 754 farms delivering a daily average of 1,645 pounds per day during March 1972.

ADVERTISING RESEARCH AND PROMOTION PLAN

The U. S. Department of Agriculture has added an advertising, research and promotion plan to the Eastern Ohio-Western Pennsylvania Federal milk marketing order, after approval by more than the required two-thirds of dairy farmers voting in a referendum. This brings to 24 the number of such programs under Federal milk orders, as authorized by law in 1971. The new plan for the Eastern Ohio-Western Pennsylvania order is essentially the same as those adopted for the other states.

The plan will be funded by deductions of 5 cents a hundredweight on all milk that producers deliver to the market each month, starting with July. The market administrator will withhold the money from payments due producers and turn it over to an agency of local producers. The money will be used for research and development, advertising (except brand advertising), sales promotion, educational and other programs to improve marketing of milk and milk products. When requested, quarterly refunds will be made to any producer not wishing to participate in the program.

The amendment proposals were made at a public hearing in Cleveland, Ohio, December 6 by four dairy cooperatives representing a majority of producers in the market - Associated Milk Producers, Inc.; Central Ohio Cooperative Milk Producers, Inc.; Milk, Inc.; and Tri-County Producers Cooperative.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	<u>% Mar. '73</u>			
	<u>Over</u>	<u>Mar.</u>	<u>Feb.</u>	<u>Mar.</u>
	<u>Mar. '72</u>	<u>1973</u>	<u>1973</u>	<u>1972</u>
Number of Plants - Pool		6	6	6
- Non-Pool		12	12	15
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 1.8	1,262,125	1,227,687	1,240,250
Other Source	- 20.8	38,939	39,272	49,185
Other Federal Orders	- 58.3	53,063	48,324	127,228
TOTAL MILK RECEIPTS	- 4.4	1,354,127	1,315,283	1,416,663
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 12.8	499,844	480,745	443,180
Skim	+ 28.3	28,233	25,579	22,012
2% Milk	+ 25.3	173,610	161,169	138,562
Buttermilk	+ 7.2	62,932	60,381	58,703
Flavored Milk and Drink	+ 36.2	27,469	25,503	20,167
Creams (Sweet and Sour)	+ 10.2	4,118	3,952	3,737
Yogurt	+107.0	1,362	1,323	658
Pkg. Items Sub-Total (Pool Plants)	+ 16.1	797,568	758,652	687,019
Other (Shrinkage, Inventory, etc.)		1,397	3,246	3,593
Sales to Non-Pool Plants	+ 48.0	100,966	208,682	68,201
In-Area Sales by Non-Pool Plants	+ 23.5	56,345	56,021	45,615
TOTAL CLASS I MILK	+ 18.9	956,276	1,026,601	804,428
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 38.2	75,269	67,110	54,447
Cottage Cheese	+ 17.9	58,854	53,131	49,904
Powdered and Condensed Milk		-	1,294	7,029
Livestock Feed and Milk Dumped		7,365	7,669	9,433
Sub-Total - Used to Produce	+ 17.1	141,488	129,204	120,813
Shrinkage Class II		13,708	13,917	14,894
Other (Inventory Variation, etc.)		(14,358)	(12,605)	636
Bulk Sales to Non-Pool Plants	- 46.0	257,013	158,166	475,892
TOTAL CLASS II MILK	- 35.0	397,851	288,682	612,235
<u>CLASS I PACKAGED POUNDS</u>				
Distributed in Area - Pool Plants	+ 8.6	552,671	523,459	508,822
Distributed Out of Area - Pool Plants	+ 37.4	244,897	235,193	178,197
Distributed in Area - Non-Pool Plants	+ 23.5	56,345	56,021	45,615
% Producer Milk of Gross Class I		132.0	119.6	154.2
% Producer Milk Priced in Class I		70.4	78.2	57.7

TOTAL PACKAGE CLASS I POUNDS (DAILY AVERAGE) ON ROUTES IN THE
MARKETING AREA BY POOL PLANTS AND NON-POOL PLANTS

	<u>% Mar. '73</u>			
	<u>Over</u>	<u>Mar.</u>	<u>Feb.</u>	<u>Mar.</u>
	<u>Mar. '72</u>	<u>1973</u>	<u>1973</u>	<u>1972</u>
<u>PACKAGE ITEMS</u>				
Homo Milk	+ 5.2	398,436	382,962	378,773
Skim	+32.2	20,020	18,396	15,147
2% Milk	+24.9	115,176	106,766	92,204
Buttermilk	+ 3.8	49,933	47,199	48,115
Flavored Milk and Drink	+28.0	21,392	20,173	16,706
Fluid Creams and Yogurt	+16.2	4,059	3,984	3,492
Class I Package Pounds - In Area	+ 9.8	609,016	579,480	554,437

COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES
AND WEIGHTED AVERAGE PRICE

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March 1973	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		29,644,568	2.986		
Less Other Source		2,108,397	2.722		
Producer Milk Class I	70.4	27,536,171	3.006304	\$7.180106	\$1,977,126.27
Gross Class II		12,333,369	5.624		
Less Other Source		743,675	1.070		
Producer Milk Class II	29.6	11,589,694	5.916550	7.338247	850,480.37
TOTAL PRODUCER MILK (Cl.I+Cl.II)	100.0	39,125,865	3.868364		\$2,827,606.64
Add Fractional Adjustment					.06
Add Value of Overage					1,234.44
Add Value of Class I Other Source and Producer Location Adjustment		5,221	0.00		3,124.58
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					17,067.83
TOTAL VALUE AT TEST		39,131,086	3.867848	\$7.280742	\$2,849,033.55
Less Test over 3.5% @ 7.8¢ per point		39,131,086	.367848	0.286921	112,275.30
TOTAL UTILIZATION VALUE AT 3.5%		39,131,086	3.5	\$6.993821	\$2,736,758.25
Less Producer Settlement Fund Reserve		39,131,086		0.043821	
WEIGHTED AVERAGE PRICE - 3.5% TEST		39,131,086	3.5	\$6.95	
Less FMP from Unregulated Supply Plants Allocated to Class I @ Wt. Av. Price		5,221		\$6.95	362.86
TOTAL PRODUCER MILK VALUE @ 3.5% TEST		39,125,865			\$2,736,395.39

BASE AND EXCESS PRICES

	Milk Pounds	Cwt. Price @ Test	Amount	
TOTAL PRODUCER MILK VALUE @ 3.5% TEST	39,125,865			\$2,736,395.39
Excess Producer Milk Used in Class I	-			
Excess Producer Milk Used in Class II	3,072,970	\$5.55	\$170,549.84	
UNIFORM EXCESS PRICE - 3.5% TEST	3,072,970	5.55		170,549.84
Total Value of Base Milk	36,052,895	7.116892		\$2,565,845.55
Less Producer-Settlement Fund Reserve	36,052,895	0.046892		16,905.92
UNIFORM BASE PRICE - 3.5% TEST	36,052,895	7.07		\$2,548,939.63

MARCH 1973 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 7.8¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS
3.0	\$6.68	\$5.16	4.0	\$7.46	\$5.94	5.0	\$8.24	\$6.72
3.05	6.719	5.199	4.05	7.499	5.979	5.05	8.279	6.759
3.1	6.758	5.238	4.1	7.538	6.018	5.1	8.318	6.798
3.15	6.797	5.277	4.15	7.577	6.057	5.15	8.357	6.837
3.2	6.836	5.316	4.2	7.616	6.096	5.2	8.396	6.876
3.25	6.875	5.355	4.25	7.655	6.135	5.25	8.435	6.915
3.3	6.914	5.394	4.3	7.694	6.174	5.3	8.474	6.954
3.35	6.953	5.433	4.35	7.733	6.213	5.35	8.513	6.993
3.4	6.992	5.472	4.4	7.772	6.252	5.4	8.552	7.032
3.45	7.031	5.511	4.45	7.811	6.291	5.45	8.591	7.071
3.5	7.07	5.55	4.5	7.85	6.33	5.5	8.63	7.11
3.55	7.109	5.589	4.55	7.889	6.369	5.55	8.669	7.149
3.6	7.148	5.628	4.6	7.928	6.408	5.6	8.708	7.188
3.65	7.187	5.667	4.65	7.967	6.447	5.65	8.747	7.227
3.7	7.226	5.706	4.7	8.006	6.486	5.7	8.786	7.266
3.75	7.265	5.745	4.75	8.045	6.525	5.75	8.825	7.305
3.8	7.304	5.784	4.8	8.084	6.564	5.8	8.864	7.344
3.85	7.343	5.823	4.85	8.123	6.603	5.85	8.903	7.383
3.9	7.382	5.862	4.9	8.162	6.642	5.9	8.942	7.422
3.95	7.421	5.901	4.95	8.201	6.681	5.95	8.981	7.461

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Mar. '72	\$6.23 2/	\$6.35	\$5.04	8.0¢	\$7.12	8.1¢	\$5.04	7.8¢
Apr.	6.10 2/	6.25	4.96	8.0	7.12	8.1	4.96	7.8
May	6.12 2/	6.26	4.94	8.0	7.19	8.1	4.94	7.8
June	6.19 2/	6.30	4.95	8.0	7.11	8.1	4.95	7.8
July	6.46 2/	6.60	5.01	8.0	7.09	8.1	5.01	7.8
Aug.	6.50	-	-	8.0	7.10	8.1	5.07	8.0
Sept.	6.72	-	-	8.2	7.16	8.3	5.10	8.1
Oct.	6.73	-	-	8.2	7.22	8.4	5.18	8.0
Nov.	6.92	-	-	8.2	7.25	8.3	5.32	8.0
Dec.	6.91	-	-	8.2	7.33	8.3	5.41	8.1
Jan '73	6.90	-	-	8.2	7.47	8.5	5.43	7.8
Feb.	7.10	-	-	8.0	7.56	8.1	5.45	7.8
Mar.	6.95 2/	\$7.07	\$5.55	7.8	7.58	8.1	5.55	7.4
Apr.	-	-	-	-	7.60	7.7	-	-
May	-	-	-	-	7.70	-	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE					
	Chi. 92°	Chi. Area	Illm/Wisc.	(Daily Average)				Percentage Use	
	Butter ¢ Lb.	Powder ¢ Lb.	Inf. Milk Cwt. 3.5%	Class I		Class II		Cl. I	Cl. II
Mar. '72	67.78	31.44	\$5.04	715,940	3.18	524,310	4.79	57.7	42.3
Apr.	67.71	31.46	4.96	677,865	3.14	609,946	4.45	52.6	47.4
May	67.71	31.36	4.94	663,443	3.22	604,609	4.16	52.3	47.7
June	67.71	31.37	4.95	680,498	3.12	503,552	4.43	57.5	42.5
July	67.84	31.45	5.01	806,185	3.19	348,766	4.79	69.8	30.2
Aug.	69.50	31.67	5.07	881,026	3.15	367,422	4.72	70.6	29.4
Sept.	70.25	31.83	5.10	1,013,082	3.21	276,604	5.24	78.6	21.4
Oct.	69.38	33.70	5.18	988,985	3.21	302,983	5.74	76.5	23.5
Nov.	69.29	34.99	5.32	981,185	3.17	198,072	7.50	83.2	16.8
Dec.	70.49	37.36	5.41	920,115	3.15	254,774	6.93	78.3	21.7
Jan. '73	67.72	39.06	5.43	885,877	3.04	316,704	6.53	73.7	26.3
Feb.	67.71	40.34	5.45	959,795	3.09	267,892	7.19	78.2	21.8
Mar.	64.17	41.99	5.55	888,264	3.01	373,861	5.92	70.4	29.6

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/				PRODUCER DATA				
	No.	Total	Class I	Pool	No.	Total	Base	Average	Av. Per
	Hdlers	Receipts	Use	Plants	Prod.	Delivery	Delivery	Test-%	Farm
Mar. '72	21	1,416,663	804,428	6	754	1,240,250	1,129,789	3.86	1,645
Apr.	21	1,465,359	765,713	7	749	1,287,811	1,148,033	3.76	1,719
May	21	1,472,482	755,899	7	745	1,268,052	1,136,103	3.67	1,702
June	21	1,346,627	771,942	7	745	1,184,050	1,088,364	3.67	1,589
July	21	1,336,101	910,607	7	741	1,154,951	1,053,562	3.67	1,559
Aug.	20	1,399,884	986,748	7	784	1,248,448	-	3.61	1,592
Sept.	20	1,431,164	1,123,583	7	786	1,289,686	-	3.64	1,641
Oct.	19	1,440,419	1,096,711	7	778	1,291,968	-	3.80	1,661
Nov.	18	1,306,518	1,054,189	7	722	1,179,257	-	3.90	1,633
Dec.	19	1,295,846	981,606	7	723	1,174,889	-	3.97	1,625
Jan '73	18	1,301,289	958,995	6	769	1,202,581	-	3.96	1,564
Feb.	18	1,315,283	1,026,601	6	745	1,227,687	-	3.99	1,648
Mar.	18	1,354,127	956,276	6	739	1,262,125	1,162,997	3.87	1,708

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I